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Signed and Filed: July 24, 2019

DENNIS MONTALI  
U.S. Bankruptcy Judge

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UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION

**In re:**

**PG&E CORPORATION,**

**- and -**

**PACIFIC GAS AND ELECTRIC  
COMPANY,**

**Debtors.**

- ☐ Affects PG&E Corporation  
☐ Affects Pacific Gas and Electric Company  
☒ Affects both Debtors

*\* All papers shall be filed in the Lead Case,  
No. 19-30088 (DM).*

Bankruptcy Case  
No. 19-30088 (DM)

Chapter 11  
(Lead Case)  
(Jointly Administered)

**ORDER PURSUANT TO 11 U.S.C. § 327 AND  
FED. R. BANKR. P. 2014(a) AND 2016 FOR  
AUTHORIZING THE RETENTION AND  
EMPLOYMENT OF DELOITTE & TOUCHE  
LLP FOR INDEPENDENT AUDIT AND  
ADVISORY SERVICES FOR THE DEBTORS  
EFFECTIVE AS OF THE PETITION DATE**

1           Upon the Application, dated May 22, 2019 (the “**Application**”),<sup>1</sup> of PG&E Corporation (“**PG&E**  
2 **Corp.**”) and Pacific Gas and Electric Company (the “**Utility**”), as debtors and debtors in possession  
3 (collectively, “**PG&E**” or the “**Debtors**”) in the above-captioned chapter 11 cases (the “**Chapter 11**  
4 **Cases**”), pursuant to sections 327 and 328 of title 11 of the United States Code (the “**Bankruptcy Code**”)  
5 and Rules 2014(a) and 2016 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”),  
6 requesting authority to retain and employ Deloitte & Touche LLP (“**Deloitte & Touche**”) as independent  
7 auditor and advisor for the Debtors effective as of the Petition Date, all as more fully set forth in the  
8 Application; and this Court having jurisdiction to consider the Application and the relief requested  
9 therein pursuant to 28 U.S.C. §§ 157 and 1334, and the *Order Referring Bankruptcy Cases and*  
10 *Proceedings to Bankruptcy Judges*, General Order 24 and Rule 5011-1(a) of the Bankruptcy Local Rules  
11 for the United States District Court for the Northern District of California (the “**Bankruptcy Local**  
12 **Rules**”); and consideration of the Application and the requested relief being a core proceeding pursuant  
13 to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409;  
14 and the Court having found and determined that notice of the Application as provided to the parties listed  
15 therein is reasonable and sufficient, and it appearing that no other or further notice need be provided;  
16 and this Court having reviewed the Application, the Gillam Declaration, and the Supplemental Gillam  
17 Declaration; and this Court having found and determined that the relief sought in the Application is in  
18 the best interests of the Debtors, their estates, creditors, shareholders, and all parties in interest; and that  
19 the legal and factual bases set forth in the Application establish just cause for the relief granted herein;  
20 and after due deliberation and sufficient cause appearing therefor,

21           **IT IS HEREBY ORDERED THAT:**

- 22           1.       The Application is granted as provided herein.
- 23           2.       The Debtors are authorized, pursuant to sections 327(a) and 328(a) of the Bankruptcy  
24 Code and Bankruptcy Rules 2014(a) and 2016, to retain and employ Deloitte & Touche as their  
25 independent auditor and advisor in these Chapter 11 Cases in accordance with the terms and conditions  
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28 <sup>1</sup> Capitalized terms used but not otherwise herein defined shall have the meanings ascribed to such  
terms in the Application.

1 set forth in the Engagement Agreements to perform the Services as contemplated in the Application,  
2 effective as of the Petition Date.

3 3. If the Debtors and Deloitte & Touche enter into any additional agreements for the  
4 provision of additional services by Deloitte & Touche, Deloitte & Touche and the Debtors will seek  
5 separate retention orders with regard to any such additional agreements.

6 4. Notwithstanding anything to the contrary contained herein or in the Application or the  
7 Engagement Agreements, Deloitte & Touche shall file interim and final fee applications for allowance  
8 of compensation and reimbursement of out-of-pocket expenses in accordance with the applicable  
9 provisions of the Bankruptcy Code, the Bankruptcy Rules, the Bankruptcy Local Rules, the *United States*  
10 *Bankruptcy Court Northern District of California Guidelines for Compensation and Expense*  
11 *Reimbursement of Professionals and Trustees*, effective February 19, 2014 (the “**Local Guidelines**”),  
12 the *U.S. Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of*  
13 *Expenses Filed under 11 U.S.C. § 330*, effective January 30, 1996 (the “**U.S. Trustee Guidelines**,” and  
14 together with the Local Guidelines, the “**Fee Guidelines**”), the *Order Pursuant to 11 U.S.C. §§ 331 and*  
15 *105(a) and Fed. R. Bankr. P. 2016 for Authority to Establish Procedures for Interim Compensation and*  
16 *Reimbursement of Expenses of Professionals* [Docket No. 701], and any further Orders of the Court in  
17 these Chapter 11 Cases regarding professional compensation and reimbursement of expenses  
18 (the “**Orders**”).

19 5. Notwithstanding the prior paragraph, the fixed fees payable to Deloitte & Touche  
20 pursuant to the Engagement Agreements are hereby approved as reasonable and shall be (i) compensated  
21 and reimbursed pursuant to the Bankruptcy Code in accordance with the terms of the Engagement  
22 Agreements, subject to the procedures set forth in the Bankruptcy Code, the Bankruptcy Rules, the  
23 Bankruptcy Local Rules, the Fee Guidelines, and the Orders and (ii) subject to review only pursuant to  
24 the standards set forth in section 328(a) of the Bankruptcy Code and shall not be subject to the standard  
25 of review set forth in section 330 of the Bankruptcy Code, except that the U.S. Trustee may review such  
26 compensation under sections 330 and 331 of the Bankruptcy Code and the Court retains jurisdiction to  
27 consider the U.S. Trustee’s response or objection to Deloitte & Touche’s interim and final fee  
28 applications on all grounds, including, but not limited to, reasonableness pursuant to section 330 of the

1 Bankruptcy Code.

2 6. Deloitte & Touche shall include in its fee applications, among other things, time records  
3 setting forth a summary description of the services rendered by each professional, with the exception of  
4 clerical staff, and the amount of time spent on each date by each such individual in rendering services  
5 on behalf of the Debtors in one-half hour (0.5) increments.

6 7. Notwithstanding anything in the Engagement Agreements to the contrary, Deloitte &  
7 Touche shall not be entitled to charge the Debtors for fees incurred in connection with the defense of  
8 any objection filed regarding its fee applications in these chapter 11 cases.

9 8. Deloitte & Touche shall provide reasonable notice to the Debtors and the U.S. Trustee of  
10 any increase of the hourly rates listed in the Gillam Declaration and the U.S. Trustee retains all rights to  
11 object to any rate increase on all grounds including, but not limited to, the reasonableness standard  
12 provided for in section 330 of the Bankruptcy Code, and all rates and rate increases are subject to review  
13 by the Court.

14 9. The indemnification, contribution, and reimbursement provisions set forth in certain of  
15 the Engagement Agreements are approved, *provided, however*, that with respect to the Services  
16 performed from the Petition Date to the effective date of any chapter 11 plan of the Debtors the  
17 indemnification, contribution, and reimbursement provisions set forth in such Engagement Agreements  
18 are subject to the following terms:

- 19 a. Deloitte & Touche shall not be entitled to indemnification, contribution or reimbursement  
20 for services other than the services provided under the Engagement Agreements, unless  
21 such services and the indemnification, contribution or reimbursement therefore are  
22 approved by the Court; and
- 23 b. Notwithstanding any provisions of the Engagement Agreements to the contrary, the  
24 Debtors shall have no obligation to indemnify Deloitte & Touche or provide contribution  
25 or reimbursement to Deloitte & Touche for any claim or expense that is judicially  
26 determined (the determination having become final) to have arisen from Deloitte &  
27 Touche's bad faith, negligence, or willful misconduct.

28 10. To the extent the Application is inconsistent with this Order, the terms of this Order shall  
govern.

11. The Debtors are authorized to take all steps necessary or appropriate to carry out this  
Order.

1           12.     This Court shall retain jurisdiction to hear and determine all matters arising from or  
2 related to the implementation, interpretation, or enforcement of this Order.

3                               \*\* END OF ORDER \*\*  
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